



## Small Business Service Bureau, Inc.

554 Main Street • P.O. Box 15014 • Worcester, MA 01615-0014

March 10, 2005

Dear Congressman Gutknecht,

**On behalf of thousands of small businesses around the country, I am writing in support of your bill, H.R. 328, to legalize the re-importation of lower-cost prescription drugs from Canada and other industrialized nations.** Surveys of small businesses nationwide conducted by Small Business Service Bureau, Inc., (SBSB) headquartered in Worcester, Massachusetts, have consistently shown overwhelming support for drug re-importation from Canada and other countries.

As we have discussed, I am very concerned with the ongoing actions of pharmaceutical companies to ration prescription drugs to Canada, as described in my recent Op-ed piece, "Rationing Prescription Drugs Enough to Make You Sick."

As you know, Merck has begun to block supplies to Canadian pharmacies that sell prescriptions to U.S. residents. Earlier this year, Merck and seven other pharmaceutical companies filed a lawsuit that challenged the right of U.S. residents to re-import prescription drugs from other nations. At the same time, pharmaceutical companies have hit Americans with prescription rate hikes that eclipsed most analysts' estimates.

As Minnesota and Massachusetts continue to lead the way in re-importing lower cost prescription drugs from Canada, each day countless Americans struggle with the choice between buying medicine or buying food, and thousands of people around the country are not taking the medication they need because it's too expensive. Meanwhile, each year over 2 million Americans spend more than \$700 million on re-imported drugs, with two-thirds ordered through the Internet.

It's time for Congress to pass a prescription drug re-importation bill! I look forward to continuing to work with you on this much needed legislation to provide relief to Americans, many of whom are small business owners or employees of small businesses, who are being hit annually with double-digit health care premium rate hikes.

Congressman, thank you for taking a lead role on this issue and for pulling together bipartisan support. As we are based in Massachusetts, I was particularly pleased to see so many of our Congressmen cosponsor your bill.

SBSB currently is conducting a new survey of small businesses on this issue and will report those findings to you soon. If you need any additional information, please call me Toll-Free at 1-800-343-0939, extension 110, or email me at [fcarroll@sbsb.com](mailto:fcarroll@sbsb.com). You also can contact SBSB Legislative Director Jeffrey Busha at [jbusha@sbsb.com](mailto:jbusha@sbsb.com).

Sincerely,  
Francis R. Carroll  
CEO, SBSB, Inc.  
President, Small Business Foundation, Inc.



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### **Rationing of Canadian Prescription Drugs Enough To Make You Sick**

March 2004

The campaign of systematic drug rationing in Canada being conducted by Pharmaceutical companies Pfizer Inc., GlaxoSmithKline PLC, and Eli Lilly, barely leaves enough medicine to meet the demand of Canadian citizens, never mind the thousands of people in the United States wanting to import prescription drugs from Canada.

In February, Pfizer cut off delivery to two Canadian prescription drug wholesalers because they were sending medicine to the U.S. Still, U.S. mail order prescriptions from Canada are growing 18 percent annually and are estimated to top \$1 billion this year.

With Minnesota and Wisconsin establishing programs to import prescriptions for their residents, the Food and Drug Administration (FDA) has stepped up its campaign to "inform" U.S. citizens about the dangers of these significantly less expensive Canadian drugs. This campaign has intensified despite 69 percent of Americans and 95 percent of small business owners favoring prescription drug importation from Canada (sources *Washington Post/ABC* News poll and Small Business Service Bureau, Inc. survey, respectively).

Recently, the mayors of eight Massachusetts' cities and towns, including Worcester and Boston, asked Health and Human Services Secretary Tommy Thompson to work to establish safety standards and a safe way to import life saving medications from Canada to our citizens. And, several days ago, a group of bipartisan U.S. Senators, including Senators Tom Daschle and John McCain, filed a bill to allow importation of FDA-approved prescription drugs from 25 industrialized nations.

Meanwhile, Secretary Thompson recommended the appointment of a strong opponent of U.S. drug importation to lead a one-year federal study of the safety of imported drugs—rescinding the recommendation only after a firestorm of protest from Congressional leaders and citizens from around the country. During the year, the Pharmaceutical Researchers and Manufacturers of America (PhRMA), the industry's powerful lobbying group, will spend an estimated \$126 million lobbying the FDA, Congressional and State leaders and others. It's enough to make you sick.

Sadly, lost in the wrangling and lobbying is that Americans every day are deciding not to take their medicine because it's too expensive. Far too many people in this country are choosing between buying food or buying their medication.

Given that, my recommendation is that pharmaceutical companies work with the FDA to expedite opening the border to safe, affordable, FDA-approved prescription drugs from Canada and other industrialized nations.

*Francis R. Carroll is CEO of Small Business Service Bureau, Inc. in Worcester, Massachusetts, and President of the Small Business Foundation, Inc.*